

Fall 2019 - ECON 634 - Advance Macroeconomics - Problem Set 5

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1. Running the asked equation in matlab give me the following results:

Table 1: Estimation of OLS regression Using Card's data

| | Coefficient | St. Error |
|--------------------------------|-------------|-------------|
| Constant | 4.9133*** | (0.063121) |
| Education | 0.073807*** | (0.0035336) |
| Experience | 0.039313*** | (0.0021955) |
| smsa | 0.16474*** | (0.015692) |
| Black | -0.18822*** | (0.017768) |
| South | -0.12905*** | (0.015229) |
| Root Mean Squared Error: 0.377 | | |

2.

3.

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